



AGENDA REPORT


TO: Jestin D. Johnson
City Administrator

FROM: Josh Rowan,
Director of DOT and
Interim Director of OPW

SUBJECT: Amendment of Oak Knoll Subdivision
Improvement Agreement and Condition
of Approval 24(e)

DATE: March 27, 2025

City Administrator Approval


Jestin Johnson (Mar 28, 2025 12:20 PDT)

Date: Mar 28, 2025

RECOMMENDATION

Staff Recommends That the City Council Adopt The Following Legislation:

Resolution Authorizing The City Administrator To Enter Into The First Amendment of The Phase I Subdivision Improvement Agreement (SIA) Between The City Of Oakland And Oak Knoll Venture Acquisition, LLC To Release “Parcel R” As Shown On The Final Map No. 8320 And Terminate The SIA With Respect To Parcel R; Amending Condition Of Approval #24(e) Of Preliminary Development Plan (PDP) Permit (PLN 15378) To Modify The Deadline For The Completion Of The Restoration Of Club Knoll; And Making Appropriate California Environmental Quality Act (CEQA) Findings

EXECUTIVE SUMMARY

Approval of the proposed resolution would authorize the City Administrator to: (1) enter into the First Amendment of the Phase I Subdivision Improvement Agreement (“SIA”) to release “Parcel R” as shown on Final Map No. 8320 from the Agreements, thereby facilitating the Parcel R land swap with the East Bay Municipal Utility District (“EBMUD”) without the SIA encumbering Parcel R, and (2) amend Condition of Approval #24(e) of the Preliminary Development Plan (“PDP”) Permit (PLN 15378), issued by the City of Oakland (“City”) for the Oak Knoll Master Development in November 2017, to modify the deadline for the completion of the restoration of Club Knoll.

BACKGROUND/ LEGISLATIVE HISTORY

Much of the Oak Knoll Project site (“Property”) was originally developed in 1924 as the Oak Knoll Country Club and Golf Course. The U.S. Navy then commissioned the property in 1942, and initially constructed a temporary hospital for medical treatment of World War II battle wounded returning from the Pacific. Expansions of the hospital facilities were made during and after the War, and the hospital evolved into a modern regional hospital serving Navy personnel

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who had been wounded in the Korean and Vietnam Wars. A large main hospital building was opened in 1968 and continued to provide specialized care for military personnel into the 1990s. The Defense Base Closure and Realignment Act of 1990 directed the U.S. Navy to close the hospital, and the hospital was officially decommissioned and closed in 1996.

Planning for the reuse of the Oak Knoll Project site also began in the 1990s. A Reuse Plan for the Oak Knoll Naval Medical Center Oakland was prepared in 1996, and the Navy and City prepared a joint Environmental Impact Statement/Environmental Impact Report for the Disposal and Reuse of the Oak Knoll Naval Medical Center Oakland, which was certified in 1998.

The former Oak Knoll Naval Medical Center was acquired by the Developer in 2005, with the exception of two separate privately-owned parcels (the Sea West Credit Union and Seneca School parcels) and the City-owned Barcelona parcel.

The Developer proposed a master plan in 2006, but the plan was withdrawn due to the 2008 recession. In 2014, the Developer reinitiated planning efforts for the property, and staff conducted planning and environmental review of those plans.

On November 7, 2017, the City Council approved the Vesting Tentative Tract Map for Tract No. 8320 and related land use entitlements (permit number PLN15378), subject to various conditions of approval, and certified the Supplemental Environmental Impact Report (SEIR). A link to the November 7, 2017 City Council approval is set forth below: <https://oakland.legistar.com/LegislationDetail.aspx?ID=3193809&GUID=0043E10E-583F-470E-9B31-A016B1991519>.

Upon completion, the proposed Oak Knoll Project would include 918 residential units, 72,000 square feet of neighborhood-serving commercial uses (including relocation and rehabilitation of the historic Club Knoll building), 67.6 acres of open space and recreation areas, and new streets (the "Project"). The subject of this report is the **first phase** final map SIA, including Tract Map No. 8032 (Phase 1), which includes 19 parcels. The 19 parcels include commercial space, open space, community park areas, the Rifle Range Creek, public right-of-way, with 3 parcels designated for 85 single-family homes, and 7 parcels designated for condominiums. Phase 1 of the Oak Knoll Project would include a maximum of 346 dwelling units.

On October 5, 2022, the City Council entered into the Phase I SIA the construction of public improvements serving Phase I located at 8750 Mountain Boulevard under Final Map No. 8320 (Phase 1) for the Oak Knoll Mixed Use Development Project. A link to the July 19, 2022 City Council approval that authorized the City to enter into the SIA is set forth below: <https://oakland.legistar.com/LegislationDetail.aspx?ID=5702190&GUID=25822EAC-8877-43FE-B5B2-0B4BFD9579AC>.

The Phase I SIA, dated October 5, 2022, was recorded in the Official Records of Alameda County on October 31, 2022, as Document Number 2022179313.

ANALYSIS AND POLICY ALTERNATIVES

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In addition to releasing Parcel "R" from the SIA, which would facilitate a required land swap with EBMUD, the Developer requests that the last sentence of Condition of Approval #24(e) of PDP (PLN 15378) be amended as follows (deletion indicated by ~~strikeout~~):

"Prior to issuance of any building permits for Phases 2 or 3, ~~or within 2 years from the issuance of the Oak Knoll demolition permit for relocation, whichever comes first,~~ Developer shall complete (via City issuance of a certificate of occupancy) restoration of Club Knoll."

This modification will allow the Condition of Approval to track with the actual timeline for the completion of the restoration of Club Knoll, will assist with developer investor confidence that the Conditions of Approval are being satisfied, and will still ensure timely delivery of the Club Knoll improvements.

Adoption of this proposed resolution furthers the Citywide priorities of Housing, Economic, and Cultural Security, because taking actions that facilitate the Oak Knoll Project will enable the City Council's previously approved 918-unit residential development that will bring much needed housing, approximately 19 million dollars in affordable housing and impact fees, and parks/open space where there was previously unimproved area that remained vacant and underutilized since the Navy Medical Center closed approximately 30 years ago. The public benefits of the project are further set forth in the City Council's November 7, 2017 legislative approvals, which are available at the following link: <https://oakland.legistar.com/LegislationDetail.aspx?ID=3193809&GUID=0043E10E-583F-470E-9B31-A016B1991519>

Declining to adopt this proposed resolution will halt, or frustrate, the sale of Parcel R to EBMUD and EBMUD from proceeding with the Parcel R land swap, which will better facilitate the development of the Oak Knoll Project. The Phase I SIA must be released from Parcel R, such that EBMUD can take title to Parcel R clear and free of the SIA. The Developer requested that the City enter into the proposed Amendment to SIA to release Parcel R so that EBMUD and the Developer may proceed with the Parcel R land swap.

FISCAL IMPACT

Staff cost for processing the SIA amendment are covered by fees set by the Master Fee Schedule and have been paid by the Developer.

PUBLIC OUTREACH/ INTEREST

The adjoining property owners were notified of the project as part of the initial Vesting Tentative Tract Map approval process and have been provided the statutorily required notice for consideration of the Final Subdivision Map.

COORDINATION

The Office of the City Attorney has reviewed the resolution for form and legality, and the Budget Bureau has reviewed this agenda report.

SUSTAINABLE OPPORTUNITIES

Economic: Through this proposed development, the subdivision will provide additional housing, open and recreational space, and new streets in the City.

Environmental: Land use approvals and construction permits for new buildings require that the permittee comply with the California Environmental Quality Act (“CEQA”), City ordinances and regional Best Management Practices for reducing nuisance noise, fugitive dust, construction debris disposal, and storm drainage pollutant runoff.

Race and Equity: The Project is not located in a disadvantaged neighborhood per the OakDOT Toolbox, but it will generate approximately \$19 million in affordable housing impact fees, which will assist in advancing affordable housing throughout the City.

CALIFORNIA ENVIRONMENTAL QUALITY ACT

Approval of the SIA amendment is exempt from CEQA pursuant to CEQA Guidelines sections 15061(b)(3) (no significant effect on the environment), 15183 (projects consistent with a community plan, general plan or zoning) and 15332 (infill development projects), each as a separate and independent basis and when viewed collectively as an overall basis for CEQA clearance.

ACTION REQUESTED OF THE CITY COUNCIL

Staff Recommends That The City Council Adopt The Following Legislation

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For questions regarding this report, please contact Ishrat Jahan, Supervising Civil Engineer at (510) 867-5711.

Respectfully submitted,

Community and Economic Development Committee
April 8, 2025

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* Megan Wier, For Josh Rowan

JOSH ROWAN

Director of the Department of Transportation
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